

FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY (CRA)
CITY COMMISSION CONFERENCE ROOM
June 11, 2002

Mayor Naugle called the meeting to order at 3:00 P.M. Roll was called, and a quorum was present.

Present: Mayor Naugle
Commissioner Cindi Hutchinson
Commissioner Gloria F. Katz
Commissioner Carlton Moore (3:02)
Commissioner Tim Smith

Absent: None

Also Present: City Manager
City Attorney
City Clerk

Beach Redevelopment Trust Fund Budget Amendment

Motion made by Commissioner Smith and seconded by Commissioner Hutchinson adopting an amendment to the fiscal year 2001/2002 budget for the Beach Redevelopment Trust Fund, authorizing the transfer of \$175,000 from P00464.106 to PED 08-01-01/3199 in the amount of \$135,000 and PED 08-01-01/3119 in the amount of \$40,000. Roll call showed: YEAS: Commissioners Katz, Smith, Hutchinson, and Mayor Naugle. NAYS: none.

Acquisition of Parcels for Dorsey Model Row Home Project

A motion was presented authorizing the proper CRA officials to execute the documents necessary to purchase 12 parcels in the Dorsey Riverbend area.

Commissioner Katz thought perhaps the City should work to change HUD rules. Mayor Naugle thought the City could start telling people they could not serve on the advisory boards if there was potential for a conflict of interest and asking if they anticipated any conflicts.

At 3:02 p.m., Commissioner Moore arrived at the meeting.

The City Manager said that in anticipation of this discussion, staff had been assessing all of the advisory board members to see where there might be a potential for conflicts. He agreed with Commissioner Katz that this was a matter of recent interpretation in terms of how these things were viewed. Rather than challenging the rules, he suggested a proactive approach because there had been a list of examples from other jurisdictions, but no one had called them on those issues.

Mayor Naugle wondered if this involved a rule enacted by Congress or an interpretation by bureaucrats. Ms. Sharon Miller, Assistant City Attorney, agreed to find out.

Commissioner Smith suggested that the HUD representatives be invited to a luncheon meeting to discuss the issues face to face. Mayor Naugle did not think that would change the rules, and if the rules were not being enforced elsewhere, it did not mean Fort Lauderdale could be excepted. Commissioner Smith thought it had been a new interpretation of the rules. The City Manager believed it had been in one case, but there had been a number of others.

Ms. Faye Outlaw, Community Redevelopment, explained that these were statutory requirements enacted by Congress, and the rules had been on the books since the Act had been adopted. In the past, however, it had been her experience with HUD that officials with conflicts could simply recuse themselves up front. Now, it was being enforced differently. Commissioner Smith asked her if a lunch meeting with the officials from Miami would help. Ms. Outlaw did not think it would hurt to develop a stronger rapport with those officials, but a precedent had been set in writing. Commissioner Katz thought something could be done from this point forward because when a law was changed, people were usually given a little time to adjust.

Mayor Naugle did not feel it was a matter of interpretation since the rules had always been on the books. Rather, it was more a matter of things not being enforced or being overlooked. Ms. Outlaw agreed. Mayor Naugle thought that if anything, HUD would begin to tighten regulations and scrutinize things more closely with all the issues involving housing authorities around the country.

Commissioner Moore saw no reason not to publicize potential conflicts as HUD was requesting. He felt the sad part was the reason Mr. Robinson had been selected to serve was due to his expertise and experience. Commissioner Smith was concerned that something else would be changed. Ms. Outlaw noted that there had also been administrative changes. She explained that for a while, block grants had not come through the CRA, so staff had probably been caught "sleeping" on this one.

The City Manager noted that the CRA had been established after the issue involving Milton Jones, and the fact that Sean Jones sat on the CRA Advisory Board had caused greater scrutiny. He thought it was important to know that even if the City advertised, etc., there was still no guarantee that HUD would accept it as sufficient to approve all of the transactions. Commissioner Moore believed HUD would accept it as long as no one from the public opposed. If that happened, he felt the issue should be evaluated. However, there had been no public comment, and he thought the issue would be resolved by following HUD's direction to advertise.

Motion made by Commissioner Smith and seconded by Commissioner Hutchinson authorizing the proper CRA officials to execute the documents necessary to purchase 12 parcels in the Dorsey Riverbend area. Roll call showed: YEAS: Commissioners Katz, Smith, Moore, Hutchinson, and Mayor Naugle. NAYS: none.

Ms. Jackson advised that staff would be returning in a month with revisions to the financial plan to accommodate TIF funds for acquisition of these properties.

Expenditures – Bank of America/CRA Housing Project

Ms. Jackson presented an update on the Bank of America housing initiative in the Sweeting Estates and pointed out that there were Bank of America representatives present if there were questions. She advised that \$430,000 in development assistance funds had been placed in this initiative, in addition to providing \$1.5 million worth of infrastructure improvements to support the housing project as required by the development agreement. Ms. Jackson stated that the development assistance funds could be used for a variety of uses, such as demolition, relocation, etc. She advised that a portion of those funds would be used to repay the CRA, and there was approximately \$300,000 remaining.

Ms. Jackson said that as the properties were acquired, lot configuration options had been considered to determine how the houses could be placed. She stated that the bank had acquired 14 lots, and the CRA had acquired 8 lots. Ms. Jackson said the configuration would have, in some cases, required mutual driveways and attached housing rather than detached housing. There were also issues related to platting and rezoning, which could be time consuming to address with associated costs. After several months of review and community input, it was suggested that the best development option would be to place one single house on one lot, with the remainder of the development assistance funding spread out over the 22 lots currently owned. Ms. Jackson felt that would result in a better product, although it was not a revision to the concept plan or to the development agreement at this point. It would also allow the construction on those 22 lots to go forward now.

Ms. Jackson noted that future property acquisition might be more difficult than the first 22 lots because those had involved willing sellers with vacant lots. She thought the inventory of those types of properties had been exhausted, but those efforts could commence as Phase II while Phase I was being implemented.

Commissioner Moore wished to thank *Mr. Jim Cassidy* and the Bank of America. He pointed out that this project was not easy, and he appreciated the Bank's leadership in this process. Mr. Cassidy said the Bank was committed to 50 new homes in the subject area.

Mayor Naugle understood the original proposal had been to provide \$430,000 for development assistance for the 50 homes. Now, since there would only be 22 homes, he wondered if the funds would be accessed on a prorated basis. Ms. Jackson explained it was not really a matter of prorating because approximately \$130,000 already had been used on 8 homes. The remaining \$300,000 would be spread out over the remaining lots, and it would be used for things like closing costs, land acquisition, etc. For clarity, Ms. Jackson stated that there would be very little money remaining. Mayor Naugle characterized this as more than doubling the development assistance for the homes that would be built. Ms. Jackson did not think it would be doubled, but it was possible that more development assistance money would be necessary in the future.

CRA Directors Project Briefing

Ms. Jackson presented a report on the Avenue Lofts project; the Jefferson at Fort Lauderdale project; the Sistrunk Streetscape project; and, the Urban Design Enhancement RFP, Units, and consultant selection for the Northern Boundary Expansion. She advised that the anticipated commencement date for the Avenue Lofts project had been modified from April to July as a point of information.

Ms. Jackson stated that when JPI had originally submitted the site plan for the Jefferson at Fort Lauderdale project, they had gone to Florida Power & Light Company (FPL) about the necessary capacity and transformers necessary for the development. She said that FPL had suggested one transformer and a subtransformer at the time. However, when permit documents had been submitted, FPL had come and indicated that two of each would be necessary. She explained that the site plan had not accommodated two transformers inside the structure, and other locations had been considered. After several months of discussions, it was suggested that each party do a portion of the things that were mandated.

Ms. Jackson said that the optimal option was to put all the transformers inside the building, which would require JPI to go below grade in order to achieve the height necessary to accommodate FPL trucks. She advised that there were costs associated with encasing the transformers, and this idea also necessitated relocation of a maintenance room and reconfiguration of the entryway, also with associated costs. Ms. Jackson reported that the cost of all this was estimated at \$120,000.

Ms. Jackson suggested that the City contribute \$50,000 towards these costs, and JPI would contribute the remainder. She advised that there was \$3.1 million in the finance plan for development assistance. Of that, \$760,000 for JPI and \$500,000 for Avenue Lofts had already been encumbered. Therefore, she recommended this be the source of the \$50,000 to help defer some of these costs so all of the transformers could be placed inside.

Commissioner Moore thought it would be terrible to redevelop the area with something intrusive, and he inquired as to the taxable value of the property JPI proposed to develop now and at the conclusion of the construction. Ms. Jackson believed the taxes on the vacant land were about \$29,000, and the end assessment of the property was estimated at \$24 million, which would generate approximately \$600,000 in taxes, with \$327,000 going to the CRA.

Mayor Naugle was concerned that helping to cover this mistake would lead to the City being requested to cover other mistakes in the future. He pointed out that this had not been the City's mistake. Commissioner Katz did not think JPI had made a mistake. Rather, FPL had provided some incorrect information.

Motion made by Commissioner Moore and seconded by Commissioner Hutchinson to authorize the expenditure of \$50,000 to address the transformer issue as discussed. Roll call showed: YEAS: Commissioners Katz, Smith, Moore, and Hutchinson. NAYS: Mayor Naugle.

Ms. Helen Gray, CRA Design Manager, referred to the Sistrunk Streetscape project. She advised that 8 responses to the RFQ had been submitted, and the selection committee would be meeting on June 17, 2002 at 4:00 p.m. to rank the proposals.

Ms. Brenda Kelly, Plan Design Manager, provided an update on the subject of acquiring units. She expected the units to be in place in late October or early November, as discussed in May, depending upon action taken by the County. Mayor Naugle thought it would be a good idea to obtain the support of the 2 County Commissioners that represented Fort Lauderdale. Commissioner Smith asked staff to inform the Commission if they could help reach out to the County Commission.

Ms. Jackson stated that the Executive Director of the CRA could only authorize consulting contracts at costs up to \$25,000. However, the consulting cost for the Northern Boundary Expansion would be greater. She recommended entering in a contract with Civic Design to draft the revisions to the CRA Plan and submit the document to the County by December, 2002, and requested approval to exceed the estimated expense of \$25,000 by no more than 20% or \$5,000.

Motion made by Commissioner Moore and seconded by Commissioner Smith to enter into a contract with Civic Design at a cost of up to \$30,000. Roll call showed: YEAS: Commissioners Katz, Smith, Moore, Hutchinson, and Mayor Naugle. NAYS: none.

July Agenda

Ms. Jackson advised that the CRA agenda for July 9, 2002 was very heavy, and she wanted to ensure all the necessary issues were addressed before the August recess. Therefore, she suggested that the meeting be moved back, if possible. There were no objections.

Konover Development

Commissioner Moore inquired about the Konover Development. Ms. Jackson acknowledged that the subject was to have been on this agenda, but discussions with the developer had been taking place as late as Thursday. The City Manager advised that a Friday memorandum addressed the subject, and that should reach the Commission very soon.

Commissioner Moore asked if an update would be ready for the July CRA meeting. The City Manager replied that was staff's intent. Commissioner Moore wanted to see this development agreement finalized quickly and no more delays. Commissioner Smith thought the City should just order the building to come down. Commissioner Moore did not think that would be a good idea until a development agreement had been executed.

Mr. Pete Witschen, Assistant City Manager, advised that a meeting was scheduled for tomorrow, and the greatest issue continued to involve the reversionary issues on the Lakeview property. He felt some progress had been made, but there were still issues remaining. Mayor Naugle noted that if staff had something ready to go, a CRA meeting could be held at any one of the usual Commission meetings, and the issue did not have to wait until July.

There being no further business before the Board of Commissioners, the meeting was adjourned at 3:38 P.M.